



Hawai'i Home Advocates

"Understanding Makes All the Difference."™

PREVENTION GUIDE

Protect Your Home Before Crisis Hits

A plain-English guide for Hawai'i homeowners.

"Understanding Makes All the Difference."™

ONE MISSION · THREE GOALS

One Mission: To educate homeowners.

Three Goals: To help Hawai'i homeowners —

1. Understand their situation,
2. Learn their rights and options, and
3. Navigate toward the best possible outcome.

Everything here is free. Nothing is required.

And every path leads to your best interest.

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Key Fact: Most homeowners in crisis could have prevented or delayed it with early warning signs and proactive action. Prevention starts 3–5 years before problems emerge.

THE THREE CRITICAL AREAS TO MONITOR

Area	What to Watch
Your Mortgage	Monitor payment status, interest rate, and loan terms. Refinance if rates drop. Address missed payments immediately — the first 30 days are critical.
Property Taxes & Liens	Confirm property taxes are current. Check county records for liens. Unpaid taxes create cascading legal problems. Never ignore tax bills.
HOA & Associations	Pay HOA (Homeowners Association) dues on time. HOA liens in Hawai'i have super-lien rights. Missing HOA payments can trigger independent foreclosure even if mortgage is current.

EARLY WARNING SIGNS — Act Before It's Too Late

Red Flag #1: Missed Payments (30+ days late)

Contact your lender immediately. Don't wait for legal notices. Request a payment plan or loan modification.

Red Flag #2: Property Value Dropped

Get a free CMA (Comparative Market Analysis) from a licensed REALTOR®. With an experienced agent a CMA is just as accurate as a paid appraisal for understanding your equity position — and it costs nothing. If underwater, refinance or restructure before circumstances worsen. A formal appraisal (\$400–\$600) is only needed if a lender or court requires one.

Red Flag #3: Rising Debt & Shrinking Reserves

If credit cards are maxed and savings depleted, address the root cause now. Emergency borrowing is a temporary fix.

Red Flag #4: Job Loss or Income Change

Contact your lender BEFORE missing payments. Many lenders offer forbearance programs. Request hardship assistance early.

Red Flag #5: Tax or HOA Notices

These are non-negotiable. Respond immediately. Small back HOA fees can trigger foreclosure. Unpaid taxes create liens within weeks.

PREVENTION TIMELINE — When to Act

5 Years Before	Establish emergency fund. Monitor property value. Review mortgage annually. Consider refinancing if rates drop.
3 Years Before	Confirm property taxes are current. Check HOA account status. Build financial reserves to 6+ months of expenses.
1 Year Before	Update home insurance. Meet with an attorney about your legal protections. Confirm your loan type.
First Sign of Trouble	For housing legal help: Volunteer Legal Services: 808-528-7046 vlsh.org HSBA Lawyer Referral: 808-537-9140
After 30 Days Late	Act within days, not weeks. Foreclosure can be filed. Mediation windows close. Options shrink rapidly.

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BUILDING YOUR PREVENTION SYSTEM

Monthly Habits

- Review mortgage statements — confirm payments processed
- Check email for lender communications
- Monitor credit report for errors

Quarterly Review

- Check property tax account status
- Verify HOA dues are current
- Review insurance coverage
- Test your emergency fund adequacy

Annual Deep Dive

- Get a free CMA from a licensed REALTOR® — same equity picture as a paid appraisal, at no cost
- Review mortgage rate vs. market rates
- Meet with tax professional about property tax exemptions
- Consult attorney if major changes in your situation

Annual Communication — Call Your Lender

- Call your lender's loss mitigation department
- Tell them you're current and want to stay that way
- Ask about proactive programs
- Understand your modification options before you need them

UNIVERSAL PREVENTION — Six Things Every Hawai'i Homeowner Should Do

1	Know your mortgage. Read your statement every month. Know your balance, rate, escrow, and payoff date.
2	Build an emergency fund. Three months of housing costs in a separate account.
3	Read every piece of mail. Never ignore letters from your lender, HOA, or county. Open everything.
4	Know your equity. Get a free CMA (Comparative Market Analysis) from a licensed REALTOR® annually — just as accurate as a paid appraisal, at no cost. Barbara Coote provides free CMAs for Hawai'i homeowners — 808-781-6951.
5	Have a hardship plan. Know your lender's hardship number before you need it.
6	Update your estate plan. Will, power of attorney, and beneficiary designations protect your home and family.

PREVENTION BY SITUATION — Topics 1–8

Mortgage Distress & Foreclosure

- Set up autopay — one missed payment starts the foreclosure clock
- Call your lender's loss mitigation at first sign of hardship
- Request forbearance before you miss a payment, not after
- Contact the Hawai'i HomeOwnership Center (HHOC) at 808-523-9500 for free prevention counseling
- Hawai'i has no right of redemption after auction — prevention is everything

Short Sale

- Track your home value annually — know if you're underwater before crisis hits
- Refinance while you still have equity and good credit
- Explore loan modification before considering short sale
- Never stop payments without a written plan from your lender

Property Tax Lien

- Set up escrow so property taxes are paid automatically
- Apply for every property tax exemption you qualify for — O'ahu: \$120,000 (under 65), \$160,000 (65+), full exemption for 100% disabled veterans. File by September 30 annually. Rates vary by county.
- Call your county tax office immediately if you cannot pay
- Never let a tax bill go 3+ years unpaid

HOA Lien

- Read your CC&Rs (Covenants, Conditions & Restrictions) before you buy — know what you owe and when
- Pay HOA dues before anything else — HOA can foreclose even if mortgage is current
- Never ignore HOA letters — respond in writing to everything
- If deployed, set up autopay for HOA dues before you leave

Divorce

- Get a real estate attorney involved at the start — not the end
- Get a current CMA early — you can't negotiate what you don't know
- Hawai'i is equitable distribution — not automatically 50/50
- Never sell or refinance marital property without both parties' written agreement

Senior Homeowners

- Create or update your estate plan before you need it
- Apply for the senior property tax exemption as soon as you qualify
- Understand reverse mortgage terms fully — consult a HUD (U.S. Dept. of Housing and Urban Development) approved counselor first
- Protect against deed fraud — check your title at boc.hawaii.gov annually

Relocating to the Mainland

- Make a sell vs. rent decision at least 6 months before your move
- Understand HARPTA (Hawai'i Real Property Tax Act) — timing of residency change affects tax liability
- Run the real numbers on rental cash flow — Hawai'i landlords often lose money

Inherited Property

- Have the family conversation about property plans before a parent passes
- Understand how the deed reads — joint tenancy vs. tenancy in common
- Create a living trust to avoid probate entirely
- DHHL (Department of Hawaiian Home Lands) homestead lands have special succession rules — contact DHHL first

PREVENTION BY SITUATION (*continued*) — Topics 9–12

Vacant Property

- Never leave a Hawai'i property vacant without a plan
- Check your homeowner's insurance — most policies have vacancy clauses
- Register your vacant property with the county if required
- Run carrying cost numbers monthly — vacancy costs compound fast

Landlord Fatigue

- Screen tenants thoroughly — one bad tenant costs more than a year of rent
- Use a professional property manager from the start
- Know Hawai'i landlord-tenant law — it heavily favors tenants
- Build a maintenance reserve — 1–2% of property value per year

Military & Veteran

- Invoke SCRA (Servicemembers Civil Relief Act) protections in writing with orders immediately
- Set up autopay for mortgage, HOA, and taxes before every deployment
- Make a sell vs. rent decision before PCS (Permanent Change of Station) orders arrive
- Apply for the veteran property tax exemption — 100% service-connected disability qualifies for a full O'ahu exemption. Check your county for current amounts and deadlines.
- Surviving spouses: apply for benefits immediately — not retroactive

Native Hawaiian Homeowner

- Understand your DHHL lease terms — especially succession rules
- Create a succession plan and designate a qualified successor now
- Know the difference between DHHL land and fee-simple land
- Contact DHHL directly for any lease questions

A NOTE FROM BARBARA

“The homeowners I wish I could reach most are the ones who don't know they need help yet. Prevention isn't about fear — it's about being informed before the letter arrives. If you're reading this before anything has gone wrong, you're already ahead.”

Everything on this site is free. Nothing is required. Every path leads to your best interest.

FREE RESOURCES

About free legal help in Hawai'i: Free legal representation for housing matters is very limited. Most free resources provide information or referrals, not an attorney who will represent you.

Hawai'i HomeOwnership Center (HHOC)

HUD-approved nonprofit — free homeownership counseling and financial education to prevent foreclosure before it starts.
808-523-9500 | hihomeownership.org

DCCA — Mortgage Foreclosure Dispute Resolution (MFDR)

If you receive a Notice of Default, you have 14 days to request free state mediation with your lender.
808-586-2886 | cca.hawaii.gov/hfic

Aloha United Way 211

Hawai'i's free statewide helpline — connects you to 4,000+ programs for financial assistance, housing, and crisis services.
Dial 2-1-1 | auw211.org

Volunteer Legal Services Hawai'i

Free civil legal help for qualifying low-income residents — housing, landlord-tenant, bankruptcy, and more. Apply online or call for intake.
808-528-7046 (O'ahu) | 1-800-839-5200 (Neighbor Islands) | vlsh.org

Hawai'i State Bar — Lawyer Referral Service

Get matched with a licensed Hawai'i attorney. Many offer a free or reduced-fee first consultation. Available Mon–Fri 8:30 a.m.–4:30 p.m.
808-537-9140 | hawaiilawyerreferral.com

Legal Aid Society of Hawai'i — Elder Law Services Only (age 60+)

Confirmed services: Advance Health Care Directive, Power of Attorney, and Simple Wills for residents 60+. Does not cover housing or foreclosure prevention.
808-536-4302 | legalaidhawaii.org

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All resources on this site are free.

No sign-up. No obligation. Ever.

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"When God closes a door, He opens a window."

I want to be that window for you.

"Informed Decisions are the Best Decisions."™

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